

Annual Report

December 31, 2014



Haverhill Bank
Just One Bank



Thomas L. Mortimer
President and Chief Executive Officer

A letter from Haverhill Bank President Thomas L. Mortimer

Dear Fellow Depositors,

Haverhill Bank is proud to report 4.78% asset growth and 9.34% deposit growth in 2014 despite a seemingly never-ending sluggish economy. The bank ended the year with \$334.3 million in assets, or growth of \$15 million. Deposits grew by \$24 million to \$286.5 million. The bank's surplus grew by \$2 million to \$35.7 million, resulting in a healthy 10.71% surplus to asset ratio.

In 2014 Haverhill Bank invested in new technologies to make your banking experience more convenient and efficient. Haverhill Bank's mobile app can easily be downloaded so that your banking can be handled through your smart phone. This app includes a security feature that can provide you with real time transaction alerts via text message. This feature also allows you to customize the alerts you choose to receive.

Business customers now have a more convenient way to handle their banking through Haverhill Bank's iBanking platform. The convenience of the consumer bill pay option is now available for business customers along with many features which work to simplify their business banking. Lastly, Haverhill Bank upgraded its mortgage/consumer banking platform to make the residential mortgage and consumer loan process a better experience for customers and to keep pace with ever-changing industry regulations.

As in years past, Haverhill Bank has reinvested in the community through both staff and bank donations; in 2014 Haverhill Bank gave back over \$200,000 to local charities and non-profit organizations. Additionally, the bank's employees volunteered for dozens of area events and programs, giving their time and energy in accordance with the bank's community-centric model. On behalf of all of Haverhill Bank's employees and its Board of Directors, I want to thank all of the bank's customers for their business and their trust.



Thomas L. Mortimer

President and Chief Executive Officer

Haverhill Bank Statement of Condition

Assets

Cash and Due from Banks

Securities

Loans (net)

Premises and Fixed Assets

Other Assets

Total Assets

Liabilities

Deposits

Other Borrowed Money

Other Liabilities

Total Liabilities

Surplus

Accumulated Other Comprehensive Income

Total Equity Capital

Total Liabilities and Equity Capital

December 31, 2014

Published in accordance with provision of
General Laws Chapter 170, Section 18.

December 31, 2014

December 31, 2013

\$26,667,317

\$6,712,440

\$40,014,727

\$38,660,737

\$247,521,069

\$253,203,037

\$6,594,580

\$6,593,670

\$13,516,137

\$13,582,196

\$334,313,830

\$318,752,080

December 31, 2014

December 31, 2013

\$286,592,664

\$262,417,207

\$10,534,632

\$21,092,972

\$1,422,057

\$1,496,260

\$298,549,353

\$285,006,439

\$35,796,949

\$34,616,379

(\$32,472)

(\$870,738)

\$35,764,477

\$33,745,641

\$334,313,830

\$318,752,080

Commitment to Community

Haverhill Bank is dedicated to the community banking model, focusing on local decision making, community involvement, and the hiring of local individuals. This principle is the foundation upon which Haverhill Bank is built, and its commitment to the community goes well beyond its considerable financial donations. Haverhill Bank employees not only embrace a variety of volunteer opportunities, but serve on the boards and committees of various service groups and non-profit organizations.

Credit for Life Fair

Haverhill Bank teamed up with Haverhill High School's Financial Literacy Program to hold a Credit for Life Fair in March. Local professionals donated their time and expertise to the fair, which gave 60 students the "real-life" experience of managing finances. Students were given faux careers and incomes and asked to budget appropriately after visiting booths that provided various pricing options for housing, transportation, savings and other "real world" expenses. Afterward, the students met with counselors from Haverhill Bank to discuss their outcomes.

Relay for Life

Haverhill Bank's Relay for Life team raised \$8,500 for the American Cancer Society after it participated in the annual event on June 13th and 14th. More than 50 employees took part in the relay, which requires that each team have a member walking on the track at all times for 24 hours.



Haverhill Bank staff help out at the Relay for Life tent.

River Ruckus

Haverhill Bank was proud to sponsor the classic car show at downtown Haverhill's annual River Ruckus in early September. In addition to the car show, attendees enjoyed a day of free concerts, boat rides, a rubber duck regatta and a fireworks finale.



Josh Sanchez and Maria Alazzam bring balloons down Washington Street in the rain.

West Newbury Night Out

Haverhill Bank had a great time in August hosting a photo booth and dunk tank at West Newbury's National Night Out, a crime and drug prevention event.

National Night Out is designed to strengthen neighborhood spirit and police-community partnerships through an evening of games, entertainment and family fun.



Merrimac branch manager Ana Gonzalez and West Newbury Police Chief Lisa Holmes participate in West Newbury's National Night Out.

Community Meals

In December Haverhill Bank sponsored a holiday meal at the Citizen's Center. More than 20 employees and family members served dinner and baked desserts to feed those in need. Community Meals, Inc. has been hosting weekly meals for the past 26 years. Every Monday a meal is provided to approximately 150 people.

50th Annual VFW Santa Parade

Haverhill Bank once again sponsored and designed the float carrying Santa Claus and his reindeer during the 50th Annual VFW Santa Parade.

It was indeed a golden Christmas for everyone as Santa arrived in his sleigh with two toy soldiers by his side, lots of oversized presents and various gold accents to commemorate the parade's golden anniversary. Haverhill Bank employees had a jolly time escorting Santa into town as they marched in the parade accompanied by a dancing snowman, a walking Christmas tree, reindeer, penguins, and numerous elves.



Haverhill Bank staff celebrate the season with its Santa's sleigh float.

Employee Activities Committee

In addition to special Haverhill Bank-sponsored events, employees donate their time to local organizations all year long through their participation in projects promoted

by Haverhill Bank's Activities Committee. Employees are encouraged to participate in such community events as the Haverhill Rotary Polar Plunge for Polio, Earth Day Clean Up, and Merrimac Old Home Day. Additionally, one Friday each month is designated as "jeans day" and employees each donate \$5 for the privilege of dressing casually. This committee was able to raise over \$3,000 for organizations like the MSPCA, Community Action, No Kid Hungry and the Santa Fund.



Merrimac branch employees make merry at the Merrimac Santa Parade.

Officers

| | |
|-----------------------------|---|
| Thomas L. Mortimer..... | President/CEO |
| Harry J. Korslund, III..... | Senior Vice President |
| John P. Teoli | Senior Vice President Retail Lending Manager |
| Charlette M. Weeden..... | Senior Vice President/ CFO/Treasurer |
| Lise T. Zapatka..... | Senior Vice President/ Information Technology/Operations/Marketing |
| Lori A. Callahan..... | Vice President/ Senior Mortgage Underwriter |
| Duncan Clark | Vice President Branch Manager |
| Paul M. Frank | Vice President/Business Development Branch Manager |
| Matthew Martin... | Vice President/Branch Administration Business Development/Security Officer |
| John Patriakeas..... | Vice President/ Chief Compliance Officer |
| Kelly C. Quevillon..... | Vice President Operations |
| Maureen M. Stillwell | Vice President/ Commercial Loan Officer |
| Stanley R. Ward | Vice President/Loan Servicing |
| Thomas O. Faulkner | Assistant VP/ Loan and Business Development Officer |
| Janet F. Odenwelder | Assistant VP/ Loan and Business Development Officer |
| Dorothy Tully | Mortgage Officer/Underwriter |
| Sherry L. Temple Pruyn..... | Mortgage Originator |
| Denise M. Joslin ... | Assistant VP/Human Resource Officer |
| Deven M. Robinson | Executive Administration Officer |
| Ana Gonzalez | Branch Manager |
| Joshua Sanchez..... | Branch Manager |
| Patricia St. Cyr..... | Branch Manager |
| Donna Talarico | Branch Manager |

Board of Directors

Thomas R. Faulkner, Chairman

Paul M. Accardi

William J. Barron, Esq.

Joseph J. Bevilacqua

Mary E. Carrington

Stuart B. Davis

William S. Faraci, Esq.

Duncan C. Farmer

Dana A. Fields

Glen A. Lewandowski

Thomas L. Mortimer

Christos S. Papaefthemiou

Richard J. Sheehan Jr., Esq.

Dr. Theodore A. Souliotis



President and CEO Thomas L. Mortimer and Chairman of the Board Thomas R. Faulkner congratulate Dr. Frederic Rose upon his retirement from the bank's board of directors.

Security Committee

Paul Accardi

William S. Faraci

Thomas R. Faulkner

Glen Lewandowski

Thomas L. Mortimer

Christos Papaefthemiou

Audit Committee

William J. Barron

Joseph J. Bevilacqua

Mary E. Carrington

Stuart Davis

Dana Fields

Richard J. Sheehan

Corporate Governance Committee

William J. Barron

Mary Carrington

William S. Faraci

Thomas R. Faulkner

Richard J. Sheehan, Jr.

Theodore A. Souliotis

Finance Committee

Duncan C. Farmer

Christos Papaefthemiou

Paul Accardi

Theodore A. Souliotis

Stuart Davis

Branch Locations

Main Office

180 Merrimack Street
Haverhill, MA 01830

Bradford Branch

163 South Main Street
Bradford, MA 01835

Rosemont Branch

1094 Main Street
Haverhill, MA 01830

Lafayette Square

100 Lafayette Square
Haverhill, MA 01832

Merrimac Branch

6 West Main Street
Merrimac, MA 01860

Salem Branch

396 Main Street
Salem, NH 03079

Haverhill High School

137 Monument Street
Haverhill, MA 01832

Whittier Regional Vocational Technical High School

115 Amesbury Line Road
Haverhill, MA 01830



Haverhill Bank

Just One Bank

Connecting All Branches: (978) 374-0161
Haverhill Bank is on 

NMLS # 407690
Member FDIC/Member SIF
Equal Housing Lender



Federal Deposit Insurance Corporation • Federal Home Loan Bank
Massachusetts Bankers Association
Independent Community Bankers of America
The Co-operative Central Bank Share Insurance Fund